MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

BLE2114 -
LEGAL ENVIRONMENT IN INTERNATIONAL BUSINESS

(All sections / Groups)

8 OCTOBER 2016
2.30P.M. – 4.30P.M.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of 3 pages with 5 Questions only.

2. Attempt **FOUR** questions from **FIVE** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please print all your answers in the Answer Booklet provided.

QUESTION 1 (25 Marks)

Critically compare and contrast the concept of arbitration and mediation. Discuss also the advantages and disadvantages of the above mentioned dispute settlement.

(25 marks)

QUESTION 2 (25 Marks)

ABC Co. Ltd who is operated at Malaysia has agreed to deliver wools to Mekar Sdn Bhd at Singapore for 100 tonnes on 15 July 2016. According to the agreement signed between them, the wools must be delivered in a contenna and the temperature must be 27 Celsius. Unfortunately when the wools reached at ABC Co. Ltd, the supervisor noticed that the temperature is not accordance with the agreement and the 50 tonnes of the wools has been damage.

The supervisor called ABC Co. Ltd and the Marketing Manager of the company reluctant to replace the new wools and if Mekar Sdn Bhd insist to have the replacement, Mekar Sdn Bhd should paid all the cost incurred by ABC Co Ltd.

Knowing this, the supervisor informed to his management and the management wants to take legal action against ABC Co. Ltd.

Advice the parties involved based on the questions given below.

i. Discuss whether there is a valid contract between ABC Co Ltd and Mekar Sdn Bhd

(5 Marks)

ii. The solicitor of Mekar Sdn Bhd noticed that nothing in the clause mentions about the applicable law or choose law. Advise the solicitor on whether Mekar Sdn Bhd shall be succeed in their claim to ABC Co. Ltd.

(15 Marks)

iii. What are the sources of International Business Law that may be applicable on the above situations.

(5 Marks)

(25 marks)

Continued .....

Question 3 (25 Marks)

The Poland Company enters into a contract for the sale of a large truckload of frozen sardine to a buyer in Madagascar. According to the contract the seller will arrange carriage of the goods by sea with the German sea transport company Secret Idyn Carriers. Payment is to be made by Letter of Credit issued by Bank Commercial Commerce. The payment also shall be made against the presentation of an invoice, a transport document which is Bill of Lading and a certificate of quality with the advice of Bank Congo Berhad.

Secret Idyn Carriers did not transport the sardine but contracts to other company namely Mydine Sardine Carriers for this purpose. The sardine are loaded in a specially equipped for cooled contenna. During the carriage, the captain of the vessel had forgotten to double check the temperature of the sardine contenna.

On arrival, the sardine show sign of having been defrosted and the sardine therefore are useless to the buyer. The buyer informs to the Bank Commercial Commerce that the fact it has received a worthless goods and instructs the bank not to pay to the Poland Company.

Based on the facts above, please answer below questions:-

i. Will Poland Company be able to obtain full payment from Bank Congo Berhad which is not withstanding of the buyer instruction?

(5 Marks)

ii. Do you think Mydine Sardine Carriers should be liable for the damage of the sardine?

(5 Marks)

iii. What law applies to the contract of carriage?

(5 Marks)

iv. Explain and criticize to the above situation assuming if Madagascar is not a country who rectify Contract of the International Sales of Goods (CISG), which law should be applicable to the above situation?

(10 Marks)

(25 marks)

Continued .....

Question 4 (25 Marks)

(a) Describe and differentiate between Revocable Letter of Credit and Irrevocable Letter of Credit.

(10 Marks)

(b) Explain the function of below Financing Instrument in International Business Law:-

i. Bill of Exchange (5 Marks)

ii. Bill of Lading (5 Marks)

iii. Airways Bill (5 Marks)

(25 marks)

QUESTION 5 (25 Marks)

(a) Describe the duties of Carrier and Shipper in Carriage Goods by Sea.

(10 Marks)

(b) Explain and critically analyze on the Cargo Insurance and Marine Insurance.

(15 Marks)

(25 Marks)

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